

## REMARKS

Claims 1-22 are currently pending in the application, which is on appeal. Applicants file this Request for Continued Examination to withdraw this case from Appeal and reopen examination. The pending claims have been cancelled and prosecution of new claims 23-46 is respectfully requested. Independent claim 23 is directed to a system, independent claim 36 is directed to a computerized method and independent claim 45 is directed to a computer readable medium.

The Examiner has rejected claims 1-22 on the following grounds:

Claims 1-5 under 102(b) as being anticipated or as being obvious in light of the Wells Fargo reference (Dialog file 16, document no. 02812176);

Claims 12 and 16 as being anticipated or obvious in light of the Wells Fargo reference;

Claims 2-4, 6, 11, 13, 21, and 22 as being obvious in light of the Wells Fargo reference;

Claims 7 and 14 as being unpatentable over the Wells Fargo reference in light of the Borowsky reference;

Claim 10 as being unpatentable over the Wells Fargo reference in light of the CardTrak reference; and

Claims 8, 9, 15, and 17-20 as being unpatentable over the Wells Fargo reference in view of the Borowsky and CardTrak references.

Applicants discuss these rejections in light of the new claims.

Regarding claim 23, Applicants believe that the Wells Fargo reference does not teach or suggest the limitation “transferring the installment loan benefit amount to the installment loan lender to apply, as an additional payment, against the outstanding principle on the installment loan account at the particular lending institution, if the credit card account is in good standing and there is an outstanding balance,” as recited in claim 23.

As the Examiner has pointed out, the Wells Fargo reference teaches the introduction of a new credit card that gives users rebates on home mortgages at Wells Fargo. The rebates are said to either reduce out-of-pocket loan fees or the interest rate on the loan. To be eligible, customers must qualify for a Wells Fargo mortgage. Applicants understand the argument that the Examiner has made regarding the Wells Fargo promotion and believe there are clear differences between the Wells Fargo promotion and the invention of new claim 23. In particular, claim 23 recites “transferring the

installment loan benefit amount to the installment loan lender to apply, as an additional payment, against the outstanding principle on the installment loan account at the particular lending institution, if the credit card account is in good standing and there is an outstanding balance.” The Wells Fargo promotion does not meet this limitation because making direct payments on the outstanding balance in addition to the normal payments on the loan is not the same as reducing the interest rate (without changing the present value or the term of the loan) which may increase the rate of repayment of the mortgage loan principal. Making direct additional payments on the outstanding balance without changing the periodic payments causes the term of the loan to change. Support for this limitation is found on page 1, lines 15-21, specifically where the applicants state that “*early payment of principal* can significantly reduce the amount paid to the lending institution by reducing the amount of interest accrued on the installment loan.” The important point here is that Applicants are referring to an “early payment” which indicates a payment above and beyond the normally scheduled payments of principal.

The attached chart gives an illustration of the differences between Applicants’ invention and the Wells Fargo reference. The first curve shows the reduction in principal for a 10%, 30 year loan. The second curve shows the reduction for a 9%, 30 year loan. The gap between the two curves shows that there is an increase in the reduction of principal for the second curve over the first. The third curve shows the reduction in principal for what would have been a 30 year loan, but for a \$500/year payment to the outstanding balance, such as is suggested in the specification, page 8, lines 11-13. As is apparent, making a periodic additional payment to the outstanding balance has a dramatic effect on the term of the loan, which is reduced to 284 periods from 360 in the case illustrated, without altering the normal periodic payments on the loan. Thus, the payment of the installment loan benefit amount against the outstanding principle is not the same as changing the interest rate on the loan. In fact, no change in interest rate could achieve a change in term of the loan. Therefore, the incentive program in the Wells Fargo reference does not teach or suggest the invention as recited in claim 23. For the same reasons, the Wells Fargo reference does not teach or suggest the limitations of claims 36 or 45.

Regarding claim 24, Applicants submit that the Wells Fargo reference fails to teach or suggest the limitations “determine whether the installment loan at the particular lending institution has been refinanced by another lending institution, prior to the program determining whether there is an outstanding balance, and if the loan has been refinanced, obtain the loan status of the credit card holder’s installment loan at the other lending institution, and receive notice that the particular

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lending institution is the other lending institution.” The Wells Fargo program is designed to attract existing credit customers to apply for new installments loans. If the installment loan were applied for at a lending institution different from Wells Fargo, presumably Wells Fargo would not offer the rebate. According to the reference, “to be eligible for the rebate, customers must qualify for a Wells Fargo mortgage.” Therefore, the Wells Fargo reference fails to teach or suggest the making of an additional principal payment against the outstanding principal of a loan that has been refinanced with a lending institution different from the card issuer. This argument also applies to claims 37 and 46.

Regarding claim 25, the Office Action has alleged, in regard to claim 2, that though the Wells Fargo reference does not teach or suggest payment by wire transfer or by check, it would have been obvious to one of ordinary skill in the art at the time of the invention to add these teachings to the Wells Fargo reference. Applicants respectfully submit that such cannot be the case. If the Wells Fargo promotion is successful at attracting an existing credit card holder to take out a new installment loan with Wells Fargo, there would be no need to cause a wire transfer of any rebate to the lending institution. The rebate would simply be an intrabank transfer. Thus, it would not have been obvious to have added these limitations. In fact, the occasion to use a wire transfer would never have arisen. Thus, Applicants submit that the Wells Fargo reference does not teach the limitation “wherein transferring the installment loan benefit amount is performed by causing a wire transfer to the lending institution.” The same argument also applies to claims 26-27.

Regarding claim 28, Applicants submit that the Wells Fargo reference does not teach the limitation “wherein transferring the installment loan benefit amount is performed periodically,” because the reference does not teach the periodic transfer of an additional benefit amount to applied against the outstanding principal balance. The same argument applies to claim 29.

Regarding claim 30, the Office Action has alleged, in regard to claim 6, that the limitation recited therein would have been obvious in light of the Wells Fargo reference because the limitation would encourage the use of the card. However, many other schemes by which a benefit could be calculated would also encourage the use of the card. Applicant fails to see how this particular means of calculating the benefit would have been obvious in light of the Wells Fargo reference, which is simply silent on the point. In truth, the Wells Fargo reference is simply not detailed enough to give any hint about how the rebate mentioned is determined. Applicants respectfully submit that a reference that gives no teaching or suggestion at all about a feature cannot support an obviousness rejection without something more.

Regarding claim 31, Applicants submit that claim 31 is allowable at least because the base claim 29 from which it indirectly depends is allowable. This argument also applies to claim 39.

Regarding claim 32, the Office Action has alleged, in regard to claim 8, that the limitation recited therein is unpatentable over Wells Fargo in view of Borowsky and CardTrak. According to the Borowsky reference, Wells Fargo's California Advantage card applies 5% of all purchases toward a Wells Fargo mortgage. The CardTrak reference teaches a cash refund of interest paid based on a tiered percentage system. After 2 years, cardholders are eligible for a 10% refund, after three years a 15% refund, after four years a 20% refund, and an additional 5% for every year thereafter up to twenty years. However, claim 32 recites the limitations "wherein calculating an installment loan benefit amount is performed by determining a first threshold amount of the purchases and applying a first percentage to the first threshold amount to arrive at a first benefit amount; determining a second threshold amount of the purchases and applying a second percentage to the second threshold amount less the first threshold amount to arrive at a second benefit amount, and adding the first and second benefit amounts to arrive at the installment loan benefit amount." This describes a tiered percentage system that is different from that disclosed in the CardTrak reference in that the CardTrak reference does not disclose that the first and second percentages are *based on threshold amounts of the purchases*. Instead, the CardTrak reference discloses that the tiered percentages are *based on the number of years* the cardholder has been a customer of the card issuer. Thus, the combination of the Wells Fargo, Borowsky and CardTrak references does not have all of the limitations of the present invention, as recited in claim 32. Furthermore, without some suggestion in the references regarding the use of a threshold amount of the purchases for setting the percentages, Applicants submit that it would not have been obvious to modify the proposed combination to arrive at the invention as recited in claim 32. Thus, Applicants' invention as recited in claim 32 is allowable over the combination. This argument also applies to claims 40 and 43.

Regarding claim 33, the Office Action has alleged in regard to claim 9, that the combination of Wells Fargo, Borowsky and CardTrak teaches the limitations therein. Applicants respectfully submit that the combination is silent about computing a benefit based on the interest charged on the credit card. The Borowsky reference mentions a rebate based on a percentage of the purchases. The CardTrak reference mentions a rebate of interest paid, but it is not a straight percentage of the interest charged. It is a tiered rebate depending on the number of years the cardholder has been a customer of the card issuer. Therefore, the proposed combination does not have all of the limitations of the invention as recited in claim 33. Again, it would not have been obvious to modify the

proposed combination, unless there was some specific teaching or suggestion to apply a straight percentage to the interest paid during a time period in the references. This argument applies to claims 41 and 42.

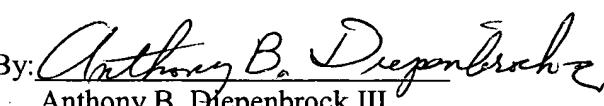
Regarding claim 34, the Office Action has alleged in regard to claim 10, that the invention as recited therein would have been obvious over the combination of the Wells Fargo reference and the CardTrak reference. Applicant submits that the proposed combination fails to teach the limitations "...determining a first threshold amount of the interest accrued during the period of time and applying a first percentage to the first threshold amount to arrive at a first benefit amount, and determining a second threshold amount of the interest accrued during the period of time and applying a second percentage to the second threshold amount less the first threshold amount...." The combination does not base its rebate on *threshold amounts of interest* but instead on the *number of years* the credit card holder has been a customer of the credit card issuer. Furthermore, it would not have been obvious to have made the suggested modifications to the combination, without some suggestion from the references about threshold amounts. Therefore, Applicants' invention as recited in claim 34 is allowable over the proposed combination. This argument applies to claims 43 and 44.

Regarding claim 35, the Office Action has alleged in regard to claim 11, that the limitations therein are unpatentable over the Wells Fargo reference. Applicants submit that claim 35 is allowable at least because claim 23, from which it depends, is allowable. This argument also applies to claim 38.

Applicants have responded to the Examiner's rejections regarding the claims and believe that the claims are in good form for allowance which is respectfully requested.

Respectfully submitted,

Dated: March 3, 2004

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Date: March 3, 2004	Yvette Yturralde-Owen

# **ATTACHMENT**

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